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E.O. 12958: DECL: 01/09/2017
TAGS: PREL ENRG KNNP IN JA
SUBJECT: MOFA DISAVOWS PRESS REPORT THAT JAPAN TO ACCEPT
U.S.-INDIA DEAL

Classified By: Charge d'Affairs, a.i., Joseph Donovan for reasons 1.4 (b) and (d)

- 11. (C) A January 10 front page Yomiuri Shimbun article titled "Government to OK India as Nuclear State" is "unfounded, according to MOFA India Desk Officer Naoshige Aoshima. article quotes "government sources" as saying Japan will recognize India as a nuclear power even though New Delhi has not signed the Nuclear Nonproliferation Treaty, and that the government will allow Japanese firms to participate in nuclear power plant construction projects in India. article also states that Tokyo will announce its support of the U.S.-India nuclear cooperation agreement. Aoshima, however, was adamant that there has been no change to Japanese policy following PM Singh's visit to Tokyo last month. The government is not promoting the participation of Japanese firms in Indian nuclear projects, nor has it decided to lend support to the U.S.-India deal. Tokyo continues to observe the U.S.-Indian negotiations on this subject and will also await the outcome of India-IAEA negotiations before staking its position, he insisted. Aoshima also speculated that a visit to India by PM Abe - also mentioned in the article - will not take place until after the Upper House elections this summer.
- ¶2. (C) In a subsequent discussion with the reporter who wrote the article, Embassy was told the source of the information was &very high level.8 However, the reporter acknowledged that the actions he reports will probably not take place until Abe visits India sometime in Autumn 2007. He described continued intra-agency debate at MOFA on this issue, with the North America Bureau supporting the move while the Nonproliferation Department continues to oppose. There is apprehension in some government circles that if Tokyo recognizes India as a nuclear power, it will be hard pressed to explain why it won't do the same for the DPRK. The reporter predicts that ultimately the desire to improve relations with India, both commercial and political, will trump this concern, and Japan will lend India and the U.S. the support they want.
- 13. (C) COMMENT: What the Yomiuri has reported will likely come to pass, but not for some time. The fact that the story ran on the front page and didn't indicate when the actions would take place would lead one to believe incorrectly that they are imminent. MOFA's Aoshima is correct that, as of now, there has been no change in Japan's policy.